



DECLASSIFIED
Department of State

EXCISE

TELEGRAM

310

CONFIDENTIAL 238

DEPARTMENT OF STATE A/CD

REVIEWED BY cf DATE 8/7/81
PORTIONS DENIED AS INDICATED

PAGE 01 TRIPOL 01858 061144Z

50-42
ACTION: AF-05

INFO OCT-01 SS-20 E-04 L-02 NSC-10 NSCE-00 INR-06 CIAE-00

NSAE-00 PRS-01 RSR-01 RSC-01 /051 W

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R 061100Z AUG 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 6698

CONFIDENTIAL TRIPOLI 1858

LIMDIS

SUBJ: ESSO - LIBYAN NEGOTIATIONS

REF: STATE 126290

1. ESSO MET WITH AMBASSADOR AND EMBOFFS ON AUGUST 5. WE TOLD ESSO'S PRIMARY CONCERN IS POSTED PRICE ISSUE AND THAT WILL BE PIERCY'S MAIN THRUST IN HIS STILL TO BE SCHEDULED SESSION WITH JALLUD. PIERCY HOPES FOLLOW FOLLOWING STRATEGY:

1. EDUCATE JALLUD ON POSTED PRICE ISSUE.
 2. DISCUSS ESSO'S PHILOSOPHY AND OBJECTIVES, INCLUDING REFERENCES TO PREVIOUS PRICE OFFERS AND WHY THEY WERE MADE AND.
 3. IF JALLUD APPEARS RECEPTIVE, ASK IF HE WOULD AGREE TO SUPPORT PRICE INCREASE WITHIN A GIVEN PRICE RANGE. (NO FIGURES WERE MENTIONED BY ESSO.)
2. WE CONCURRED IN GENERAL APPROACH BUT SUGGESTED THAT IT UNLIKELY THAT JALLUD, WITHOUT RCC AS A WHOLE OR CONCURRENCE FROM MAGHRABI COMMITTEE, WOULD PUT HIMSELF OUT ON LIMB BY AGREEING TO SUPPORT ANY PRICE INCREASE IN A GIVEN RANGE. THEREFORE IT APPEARS THAT BEST PIERCY CAN HOPE ACCOMPLISH IS TO DO SOME MISSIONARY WORK WITH JALLUD WHICH WILL RESULT IN A MORE FLEXIBLE STANCE BY MAGHRABI COMMITTEE. GP-4.
PALMER

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